

October 24, 2005

The Honorable Dennis Hastert
Speaker
United States House of Representatives
Washington, DC

Dear Mr. Speaker,

It has come to our attention that the House Leadership has forged a compromise with members of the House Financial Services Committee regarding the Federal Housing Finance Reform Act of 2005 (H.R. 1461). The newly-added provision is included in the Manager's amendment and appears to be aimed at suppressing the civic engagement of low- and moderate-income and minority families. We urge that these provisions be removed before the amendment and bill come to the House floor for a vote.

With strong bipartisan support, H.R. 1461 (Federal Housing Finance Reform Act of 2005) passed the House Financial Services Committee. The bill contained a measure that would create an affordable housing fund, potentially generating billions of dollars for development. As you know, with housing prices continuing to rise, many communities suffer from a lack of affordable rental and homeownership opportunities for hard-working families.

Unfortunately, after passage, a compromise was struck between the House Leadership and the Financial Services committee that would preclude most nonprofits from accessing the funds. Many of the organizations that would be left out are uniquely positioned to develop the affordable housing needed in their communities. Specifically, nonprofit applicants would be restricted from participating in voter registration and many classic civic engagement activities in the twelve months before the time of application. In addition, the nonprofit applicants would be deemed ineligible if they are affiliated with an organization that engages in these activities. Notably, for-profit organizations would not have the same restrictions.

As representatives of diverse Hispanic constituencies, we have the following concerns:

- **Minority Voter Suppression.** The Latino community has experienced a long history of voter suppression. Nonprofit community-based organizations have played a critical role in fighting against those who would limit the voice of Latinos. The groups often serve as the main point of contact in Hispanic communities and, in many cases, they are the only local organization addressing their social, civic, and educational needs. The proposed Manager's amendment to H.R. 1461 will force these trusted community centers to choose between providing civic education and affordable housing.

For-Profit Double Standard. Inexplicably, under this provision, for-profit developers would not face similar restrictions and would likely become the majority of fund recipients. Even for-profits with a dubious track record would be eligible to receive funds while public interest social service providers would not.

We urge you to preserve the integrity of H.R. 1461 by fighting to remove the restrictions on nonprofits.

Sincerely,

National Association of Latino Elected and Appointed Officials
National Council of La Raza
National Puerto Rican Coalition, Inc
League of United Latin American Citizens

cc: Members of the Congressional Hispanic Caucus
Members of the Congressional Hispanic Conference